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SUBJECT: Andale, Pues: Mexico Establishes Consulate in  
Guangzhou; Peru, Chile, Brazil, and (Sigh) Cuba In Train

Ref: Guangzhou 3619 (notal)

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11. (SBU) Summary: Mexico has opened a Consulate in  
Guangzhou. In the celebratory event, Mexican  
Undersecretary for Foreign Affairs Lourdes Aranda cited the  
heavy weight economic power of Guangdong Province not to  
mention the fact that most Chinese-Mexicans trace their  
roots to south China as the chief reasons for opening the  
post, which initially will cover only Guangdong Province.  
Other factors included Guangdong's active wooing of Mexico  
and the fact that Mexican Ambassador to China Sergio Ley is  
himself a Chinese-Mexican with roots in Zhongshan -- a  
heartland city of Guangdong. Guangdong Foreign Affairs  
Office officials noted that Mexico is only the first of  
many Latin American countries intending to establish  
Consulates in Guangzhou -- in train are those of Peru,  
Chile, Brazil, and, regretfully, Cuba. End Summary.

"Hemos Llegado"

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12. (U) On February 22, the United Mexican States  
officially celebrated the opening of its Consulate in  
Guangzhou. In town especially for the occasion, Mexico's  
Undersecretary for Foreign Affairs Lourdes Aranda noted  
that Guangdong is the acknowledged economic power house  
province in China, accounting for one third of China's  
total trade and increasingly interested in investing  
abroad, including in Mexico. All told, Guangdong-Mexico  
trade and investment activities amount to USD 2 billion.  
She also noted that the vast majority of family-related  
immigration from China to Mexico originates in Guangdong  
and that the Consulate would have a role in facilitating  
that immigration as well. She also cited the high level  
interaction between national leaders of both countries and  
the specific interest of the Guangdong government in  
cementing relations.

Welcome, Welcome, Welcome

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13. (U) Echoing the Undersecretary's remarks, Guangdong

Province Deputy Secretary General Liu Youjun emphasized the marvelous reception received by a delegation headed by Governor Huang Huahua during a visit in October, 2005 (in the continuation of a major delegation trip to the United States that saw 600 Guangdong Provincial and Municipality officials and business representatives meeting in San Francisco). He said that Mexico is increasingly an important market for Guangdong, and, mirroring Undersecretary Aranda, he emphasized Guangdong's great interest in seeing the expansion of Mexican investment in south China.

#### Initially Limited to Guangdong

14. (SBU) Initially, the Mexican Consulate in Guangzhou will be headed by Consul Leopoldo Marin and its scope of work will be concentrated on Guangdong. The Guangzhou Consulate is staffed initially by only two home-based officers, neither of whom are fluent Chinese speakers, and one of whom is an Entry Level Officer on her first tour. She was, however, the officer who got the Consulate up and running in a matter of weeks (the Belgians who are establishing a Consulate General in Guangzhou have yet to have an official opening two months after arriving in town). Accordingly, a lot of support would still need to come from the Mexican Consulate General in Hong Kong, which has trade and investment promotion capabilities that the Consulate in Guangzhou will initially not have. The eventual aim, however, is to convert the Consulate into a Consulate General and expand operations to Guangxi and Hainan -- which are theoretically already covered in Mexico's arrangement with the Chinese Ministry of Foreign Affairs.

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#### "Guanxi" in Play

15. (SBU) Although he did not make formal remarks at the ceremony, Mexican Ambassador to China Sergio Ley clearly had a hand in the establishment of the new Consulate. A Chinese-Mexican, Ambassador Ley is a highly gregarious businessman from Sinaloa and is the owner of, among other enterprises, the "Tomateros" in the Mexican Baseball League. Most importantly, Ley's family originates in Zhongshan, the birthplace of revolutionary hero Dr. Sun Yatsen, and one of the most important and influential heartland cities in Guangdong Province (Executive Vice Governor Tang Bingquan, for example, hails from Zhongshan as do large numbers of up and comers in the provincial government and party). Certainly the Ambassador did not play down his connections to Zhongshan in particular and Guangdong in general in his genial conversations during the reception following the official opening ceremony.

#### Salsa En-Tangoed

16. (SBU) Both the Mexican and the Guangdong officials made much of the fact that Mexico is the first in a number of Latin American countries intending to establish diplomatic posts in Guangzhou. Guangdong Foreign Affairs Office Deputy Director General Fu Lan said that the province was looking forward to seeing Brazil, Chile, and Peru moving quickly to establish Consulates because these represented the most important economic powers in South America. Fu added sotto voce that Cuba, which is not an economic power house, still remains interested in moving forward with its plans in Guangzhou (reftel).

#### Comment

17. (SBU) The Mexican presence in what is sometimes referred to as the "industrial workshop of the world" is important for Mexico's understanding of what might constitute its biggest global competitor. We hear many stories here of American and other third country firms

which have closed down or scaled back maquiladora operations in Mexico in order to set up shop in Guangdong, and we intend to be in close contact with our Mexican colleagues to see how they see Guangdong.

18. (SBU) The establishment of the Mexican Consulate "completes" the representation of NAFTA in Guangdong, as many people jokingly said during the reception. ASEAN is "missing" three countries -- Brunei, Burma, and Laos -- but there is no indication at all that any are interested in diplomatic representation in Guangdong. The most glaring "missing" member of the European Union is Spain, which has very extensive commercial interests in south China but which covers the territory from elsewhere. Guangdong is apparently very interested in attracting Spain, however, and the further addition of a Hispanic flavor to Guangdong would be welcome -- unless it comes with a Castro-ite odor.

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